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C O N F I D E N T I A L SECTION 01 OF 02 MANAGUA 000255

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SUBJECT: PLC DEPUTY ADMITS RIFTS IN PARTY

REF: A. MANAGUA 0241

[1](#)B. MANAGUA 0181

[1](#)C. MANAGUA 0175

Classified By: Ambassador Paul Trivelli for reasons 1.4 (b and d)

[1](#)1. (C) Summary: Liberal Constitutional Party (PLC) deputy Carlos Noguera recently reported considerable discontent within the PLC rank and file stemming from the dismal results of the national elections and the party's ongoing political pact with the Sandinista Front (FSLN). Local party leaders in his home province of Jinotega told Noguera that they will not help PLC candidates prior to the 2008 municipal elections unless the party seeks unification with the Nicaraguan Liberal Alliance (ALN). According to Noguera, the PLC caucus in the National Assembly barely maintained a unified front after an internal fight over the approval of Law 290 reforms (ref A). End Summary.

[1](#)2. (C) Poloffs met with PLC deputy and former National Assembly president Carlos Noguera on January 25 to discuss the PLC's approval of controversial reforms to Law 290 strengthening the powers of the Executive and the future orientation of the PLC vis-a-vis the FSLN and ALN. The meeting was cordial and Noguera seemed quite pleased to have received our invitation to talk. (Note: Noguera was the only PLC deputy to openly oppose the reforms. End Note.)

[1](#)3. (C) Regarding the Law 290 reforms, we noted to Noguera that PLC caucus chief Maximino Rodriguez had assured us that the PLC would not agree to "fast track" the legislation that would give President Ortega more power (ref C). Noguera responded that deputies Wilfredo Navarro and Oscar Moncada had "betrayed" the caucus after receiving eleventh-hour instructions from convicted party chief and ex-President Arnoldo Aleman to give the PLC's consent during a meeting between Ortega and Assembly representatives. After an internal PLC fight in the plenary, Navarro agreed that no further voting decisions would be made without the consent of the caucus members in exchange for a unified vote on the reforms.

[1](#)4. (C) Noguera admitted that even in the regions of the country where the PLC won a majority of the vote (primarily in the North), the grass roots members and local leaders are unhappy with the national leadership -- especially the Ortega-Aleman political pact. They believe, and Noguera agrees, that the PLC will suffer an even greater defeat in the 2008 municipal elections if the party does not unify with the ALN and other democratic parties. Local PLC mayors and other leaders in Noguera's home department of Jinotega told him that they will not support the party if the PLC leadership fails to achieve Liberal unity. Polcouns remarked

that the municipal elections may offer the last window of opportunity for the democratic opposition to block Ortega's determination to consolidate power, change the constitution, and win the 2011 presidential race. However, only a united opposition will be strong enough to compete in the municipal elections.

¶5. (C) Concurring with our assessment, Noguera explained that some in his party have made efforts to reach out to the ALN. For example, he and other PLC deputies recently met with ALN deputy Jamileth Bonilla to discuss a common legislative agenda (ref B). When asked about the future role in the PLC of former presidential and vice presidential candidates Jose Rizo and Jose Antonio Alvarado, Noguera commented that Rizo is essentially regarded as a "has-been," although some deputies still respect him and he may serve in some kind of advisory role. Noguera asserted that Alvarado, who is known to frequently switch political affiliation according to his own self interests, has lost all credibility within the party as he could not even deliver his home municipality of Granada for the PLC.

¶6. (C) Noguera agreed with us that the Liberals should refrain from attacking each other, especially in public, and focus instead on stopping the FSLN tsunami from wiping out all opposition. He noted that he had confronted PLC spokesman Leonel Teller at Aleman's January 23 birthday party, ordering Teller to back down on his public accusations against ALN leader Eduardo Montealegre regarding the Cenis (debt bonds) banking scandal. Noguera said that Teller is pursuing a personal vendetta and does not speak for the party (although he remains the party spokesman). Most of the deputies seek reconciliation and regard the attacks on Montealegre as a waste of time, he claimed.

¶7. (C) The PLC lawmaker was receptive to our suggestion that the PLC work with other opposition parties to encourage the strengthening of existing, and the formation of new, NGOs unaffiliated with the FSLN and to encourage volunteerism among party supporters. He also agreed with our observation that donor assistance would be much more effective if opposition parties worked in concert, rather than at cross-purposes. (Comment: The Sandinistas are known for their party discipline and volunteerism, while the PLC militants are more renowned for expecting remuneration in exchange for their participation. Very few non-FSLN NGOs operate in Nicaragua. End Comment.)

¶8. (C) Comment: Noguera has long been uncomfortable with the Aleman-Ortega pact, although he refused to break with Aleman before the elections and join the ALN. Now that the reality of the PLC's electoral defeat is sinking in, Noguera and others appear willing to reconsider their loyalty to Aleman, who has led the party down a path of ruin and subservience to the FSLN. Nevertheless, continued factionalism within the PLC and ALN has hindered a rapprochement even while the FSLN's legislative barrage has scared the Liberals into negotiations. We will continue to encourage Liberal reconciliation -- and the marginalization of Aleman -- as a bulwark against the FSLN's totalitarian tendencies.

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